

## Message Text

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ACTION EUR-12

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P 301150Z OCT 75

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC PRIORITY 5281

UNCLAS BUCHAREST 5553

E.O. 11652: N/A

TAGS: EVIN, ETRD, CPAS, YO, RO

SUBJ: PROPERTY CASES; GSP

REF: BUCHAREST 5552

1. FOLLOWING IS TEXT OF EMBASSY AIDE MEMOIRE OF OCT 22, 1975: QTE THE UNITED STATES GOVERNMENT HAS FOUND THE RESPONSES OF THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA TO THE EMBASSY'S AIDE MEMOIRE OF AUGUST 26, 1975, VERY HELPFUL IN ANALYZING THE EFFECTS OF DECREE NUMBER 223 OF DECEMBER 3, 1974, UPON ROMANIA'S ELIGIBILITY FOR GENERALIZED PREFERENCES UNDER THE PROVISIONS OF SECTION 502 (B) (4) OF THE TRADE ACT OF 1974. AS A RESULT OF THIS ANALYSIS, HOWEVER, WE WOULD WELCOME RESPONSES TO THE FOLLOWING ADDITIONAL QUESTIONS.

1. IS THERE A MAXIMUM VALUE WHICH CAN BE PAID FOR PROPERTY TAKEN UNDER THE PROVISIONS OF DECREE 223? THERE HAVE BEEN UNOFFICIAL REPORTS OF A MAXIMUM VALUE OF 40,000 LEI.

2. ONCE PROPERTY HAS BEEN SOLD, WHAT EXCHANGE RATE IS USED TO CALCULATE THE FOREIGN CURRENCY TO BE TRANSFERRED TO THE OWNER DOMICILED ABROAD? IS IT TO BE CONVERTED INTO DOLLARS AT THE OFFICIAL RATE OF EXCHANGE WITH THE MOST FAVORABLE PREMIUM ESTABLISHED IN THIS MATTER IN ACCORDANCE WITH ROMANIAN LAW?

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3. MAY UNITED STATES CITIZENS TRANSFER THE PROCEEDS OF PROPERTY SOLD WHICH WAS NOT ACQUIRED BY INHERITANCE, FOR EXAMPLE, PROPERTY PURCHASED BEFORE DEPARTURE FROM ROMANIA OR PURCHASED MORE RECENTLY UNDER REGULATIONS ENCOURAGING FOREIGN CITIZENS TO ACQUIRE PROPERTY IN ROMANIA?

4. IN THE RESPONSE TO QUESTIONS 5 AND 6 OF THE AIDE-MEMOIRE OF AUGUST 26, IT IS STATED THAT PROPERTY ACQUIRED BY THE STATE UNDER DECREE 223 IS NOT TO BE RESOLD. DOES THIS MEAN THE PROPERTY WILL PASS PERMANENTLY INTO THE HANDS OF THE STATE, OR DOES THE PROPERTY BECOME ELIGIBLE FOR RESALE AT A LATER DATE?

5. WHEN AN APPEAL IS MADE TO APPROPRIATE JUDET OFFICIALS AGAINST THE DECISION OF THE EXECUTIVE COMMITTEES OF THE PEOPLES COUNCILS, AS EXPLAINED IN THE RESPONSE TO QUESTION 3 OF THE AIDE- MEMOIRE, IS ANY HIGHER APPEAL POSSIBLE IF THE OWNER IS NOT SATISFIED WITH THE VALUATION? MAY, FOR EXAMPLE, AN APPEAL BE MADE TO THE COURTS.

6. IS IT CORRECT TO INTERPRET LAW NO. 59/1974 TO MEAN THAT ALL LANDS OWNED BY PERSONS DOMICILED ABROAD ARE FORFEITED TO THE STATE WITHOUT COMPENSATION OF ANY KIND? ARE ANY SPECIAL CIRCUMSTANCES OR EXCEPTIONS INVOLVED?  
END QTE

2. FOLLOWING IS UNOFFICIAL TRANSLATION OF ROMANIAN RESPONSE TO ABOVE AIDE-MEMOIRE: QTE 1. PAYMENT FOR CONSTRUCTIONS COMING UNDER THE SPECIFICATIONS OF DECREE 223/1974 IS OF MAXIMUM 40,000 LEI PER HOUSING FACILITY (APARTMENT) IN URBAN AREAS AND 20,000 LEI IN RURAL AREAS.

THESE MAXIMUM AMOUNTS WERE NOT ESPECIALLY FIXED FOR THE APPLICATION OF DECREE 223/1974 BUT WERE ALREADY SPECIFIED FOR THE ACQUISITION BY THE STATE OF HOUSING FACILITIES FROM PRIVATE PERSONS ACCORDING TO OTHER LEGAL DECISIONS.

THE AMOUNT ESTABLISHED IS PAID OVER A NET SUM OF  
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MONEY NO OTHER DUTIES, TRANSFER TAXES, FEES AND SERVICE TAXES ETC. BEING LEVIED; THEREFORE THE COMPENSATION IS ADEQUATE AND EFFECTIVE.

2. TO CALCULATE IN HARD CURRENCY THE AMOUNT IN LEI TO BE TRANSFERRED, THE OFFICIAL RATE PLUS THE CURRENTY PREMIUM AS ESTABLISHED BY DECREE 184/1974, I.E. AT PRESENT 12 LEI TO THE US DOLLAR.

3. U.S. CITIZENS MAY TRANSFER THE CASH OBTAINED FROM THE SALE OF THEIR CONSTRUCTIONS LOCATED IN ROMANIA IRRESPECTIVE OF THE WAY THEY HAVE OBTAINED THE SAID CONSTRUCTIONS (CONSTRUCTION, ACQUISITION), ON A MUTUAL BASIS.

MONEY RESULTING FROM INHERITANCE SETTLEMENT IS TRANSFERRED AS SPECIFIED IN THE PROTOCOL ANNEXED TO THE U.S.-ROMANIA CONSULAR AGREEMENT.

4. CONSTRUCTIONS ACQUIRED FOLLOWING DECREE 223/1974 SHALL NOT BE SOLD; THEY SHALL BE LEASED UNDER LEGAL CONDITIONS.

5. IF THE FORMER OWNER IS NOT SATISFIED BY THE DECISION ISSUED BY THE EXECUTIVE COMMITTEE OF THE PEOPLE'S COUNCIL FOR THE ACQUIRING OF A BUILDING AS SPECIFIED BY DECREE 223/1974, HE CAN LODGE A COMPLAINT WITH THE COURT. THE DECISION GIVEN BY THE COURT MAY BE APPEALED AT THE TRIBUNAL AS SPECIFIED BY THE CODE OF CIVIL PROCEDURE.

ACCORDING TO ROMANIAN CIVIL PROCEDURE, IF THE INTERESTED PARTY CONSIDERS THAT A FINAL COURT DECISION IS ILLEGAL OR GROUNDLESS, IT CAN APPLY TO THE EXTRA-ORDINARY APPEAL PROCEDURE WITH THE PURPOSE OF ANNULING THE DECISION AND TRYING THE CAUSE AGAIN. THIS IS AN EXTRAORDINARY COURSE OF LEGAL APPEAL.

6. LAW NO. 223/1974 FOR THE LAND FUND DOES INDEED SPECIFY THAT ANY GROUND PLOTS OWNED BY ROMANIAN OR FOREIGN PERSONS RESIDING ABROAD ARE TO BE TAKEN OVER BY THE STATE WITH NO COMPENSATION WHATSOEVER. THE LAW DOES NOT PRO-

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VIDE FOR ANY EXCEPTIONS OR SPECIAL CIRCUMSTANCES.  
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## Message Attributes

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